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November 5, 2009

TO: Employers, Legislative Leadership, Department Personnel Officers,
County Personnel Officers, and Employee Organizations

FROM: Jim Williams, Administrator 

SUBJECT: EUTF Workload and Service Issues

As you know the EUTF 2009 open enrollment period for active employees (changes effective January 1, 2010 – June 30, 2010) and retirees (changes effective January 1, 2010 – December 31, 2010) is being held during the month of November. The purpose of this memo is to inform you that the EUTF has serious workload and resource issues that are impacting service levels and may prevent the EUTF from completing open enrollment and other processing on a timely basis and by important deadlines.

The consequences of the EUTF failing to meet processing deadlines will be disruptive to all concerned. Adjustments to payroll deduction amounts may be delayed, resulting in over-deductions and under-deductions, followed by retroactive corrections in subsequent months. Employees who change benefit plans and schedule appointments for January may find that their health service provider is unable to confirm eligibility and coverage through the carrier/plan administrator, because their records have not yet been processed and transmitted by the EUTF. These situations will generate numerous calls and e-mails, adding to the volume being dealt with by the customer service staff.

Below is a detailed explanation of the current situation focusing on the EUTF Member Services Branch that is responsible for processing enrollment forms and providing customer service.

The EUTF Member Services Branch is focused on addressing a large and growing volume of documents that requires action. Staff is faced with mounting workloads that are beyond the EUTF's current capacity to handle. Any prolonged delay to forms processing affects prompt reporting of health and life insurance benefit eligibility to employee-beneficiaries, employers, insurance carriers, and health care providers. There are six (6) employees in the Enrollment section. Inadequate staffing levels and furloughs are cause for great concern. The EUTF currently has nine (9) vacancies, including six (6) in the Member Services Branch. Requests to fill positions have been pending since July 2008. In addition, all EUTF employees are being furloughed two (2) days per

month. In order to address ongoing workload issues, overtime has been scheduled on a continuing basis and will continue for the foreseeable future.

Primarily as a result of the recent EUTF computer system conversion, the EUTF enters November with a significant backlog. There are 3251 enrollment forms waiting processing, 529 forms waiting for scanning, and another 766 forms to be indexed. This backlog was a planned (two years prior) consequence of a two-week pause in processing due to the system conversion.

When the conversion was planned, EUTF staff had no way of knowing that the 2009 open enrollment period for active employees would be delayed and re-scheduled for the month of November. Due to the addition of a new PPO plan and restructuring of the PPO plan offerings (90/10 PPO plan by HMA and 80/20 PPO plan by HMSA) the EUTF estimates 10,000-15,000 enrollment forms will be received during the November open enrollment period.

Employer actions to address revenue shortfalls have a ripple effect on the EUTF. The reduction in force (RIF) being completed by the State in November will add a significant workload, with an estimated 800-1,100 forms anticipated to arrive for processing. The uncertainties of the current State budget have resulted in hundreds of additional employees filing for a November or December 2009 retirement. The EUTF expects to receive an estimated 500 retiree forms in the next two months.

Other necessary EUTF projects add further to the workload. The Dependent Eligibility Verification now underway already has resulted in an immediate need to remove at least 1,958 ineligible dependents from coverage. This task is scheduled for the month of November. Attention also needs to be placed on researching 7,155 Medicare Part B records. These beneficiaries may be erroneously terminated from plans in early December 2009 if not addressed timely.

Customer Service support augments the work of the Enrollment staff to the extent possible. However, the call center has been stretched beyond its limit. While the EUTF staff normally handle 4,000 calls per month (both incoming and outgoing), the first three days of November have resulted in over 3,000 incoming calls. Given current work schedules and staffing levels, the six (6) employees in the Customer Service section currently can handle about 300 calls per day. As of November 2, 1898 voicemails and 87 emails had yet to be retrieved and responded to, resulting in daily inquiries from the Ombudsman's Office and other agencies.

As of this date the EUTF is in discussions with carriers/plan administrators to obtain additional staff resources from them during the next three (3) months. In addition, an *ad hoc* committee of the Board of Trustees has been formed to assist me in obtaining approvals (within the State) for staff and other resources.

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The EUTF's dedicated staff has done an outstanding job of meeting the needs of our employee-beneficiaries despite short staffing and reduced work hours. However, the confluence of events as described above will likely result in a situation where we will be extremely challenged to provide even a minimally acceptable level of services to active employee, retirees, and their dependents.

The EUTF will make every effort to address the workload challenges documented herein. However, the Board of Trustees and I wanted to be sure that government officials at every level be informed about the operational challenges that the EUTF faces.

On behalf of the EUTF, thank you for your continued cooperation and support.

c: Board of Trustees
 Director of Finance

